

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **February 10, 2004**

AGENDA ITEM NO.: 9

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **FY 2004 Sewer Capital Fund Budget Amendment**

### RECOMMENDATION:

Conduct a public hearing and amend the FY 2004 Sewer Capital Improvement Projects Fund budget, for Sewer Separation/Rehabilitation (CSO) projects due to the recent Virginia Revolving Loan Fund (VRLF) refinancing.

SUMMARY: The Department of Environmental Quality (DEQ) recently approved the refinancing of past VRLF loans with the City for its CSO Program projects, thus creating additional borrowing capacity in the Sewer Capital Projects Fund. The additional FY 2004 funding being requested will accelerate construction of two projects in the Fort Avenue area (CSO 12.3 & CSO 12.2) and allow two additional overflow points to be closed.

### PRIOR ACTION(S):

November 11, 2003 VRLF Refinancing approved by Council

February 3, 2004 Finance Committee

February 3, 2004 Physical Development Committee

FISCAL IMPACT: Increases the FY 2004 Sewer Capital Projects Fund by \$5,145,000, as shown below.

	Current	Revised	Proposed Change
Sewer Capital Fund (4022)	\$ 225,000	\$1,470,000	\$ 1,245,000
Sewer VRLF Capital Fund (4023)	<u>\$2,100,000</u>	<u>\$6,000,000</u>	<u>\$ 3,900,000</u>
Total	<u>\$2,325,000</u>	<u>\$7,470,000</u>	<u>\$5,145,000</u>

As previously explained to Council, the City entered into an agreement with DEQ to meet a criterion of sewer rates reaching 1.25% of MHI at 7 hcf in five years. This agreement will require sewer rates to increase at 4% per year under current projections.

CONTACT(S): Greg Poff, CSO Program Manager, 847-1322, ext. 111  
Dan Sneed, Director of Utilities, 847-1322, ext. 107  
Bruce McNabb, Director of Public Works, 455-3946

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

Resolution:

BE IT RESOLVED That the FY 2004 Sewer Capital Projects Fund budget is amended and \$ 5,145,000 is appropriated with resources \$5,145,000 from additional long-term debt based on increased borrowing capacity resulting from the recent VRLF refinancing of existing debt for Combined Sewer Overflow Control Projects.

Introduced:

Adopted:

Certified:

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Clerk of Council

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